



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Senate Bill 173	Senate Amendment 1
<i>Memo published: June 25, 2003</i> <i>Contact: David L. Lovell, Senior Analyst (266-1537)</i>	

Under *current law*, the Agricultural Producer Security Fund is created to protect agricultural producers from financial loss in the event of default by contractors who purchase the producers' agricultural commodities. In addition, the Department of Agriculture, Trade and Consumer Protection (DATCP) is required to buy surety bonds to provide contingent financial backing.

2003 Senate Bill 173 authorizes the DATCP to acquire contracts to provide cash loans to the fund instead of, or in addition to, the surety bonds required under current law.

Senate Amendment 1 clarifies the nature of the loan that the DATCP may acquire, specifying that the loan must be repayable only from the Agricultural Producer Security Fund and not from any other source. This clarifies, in particular, that the DATCP may not create an obligation of the General Fund, a form of debt that would be constitutionally impermissible for this purpose.

The amendment also specifies that the decision to draw on contingent financial backing must be made by the department secretary.

On June 24, 2003, the Senate adopted Senate Amendment 1 on a voice vote and passed Senate Bill 173, as amended, on a vote of Ayes, 33 and Noes, 0.

The amendment is identical to Assembly Amendment 1 to 2003 Assembly Bill 349, a companion bill to Senate Bill 173. On June 16, 2003, the Assembly Committee on Agriculture, on votes of Ayes, 15 and Noes, 0, recommended adoption of the amendment and passage of the bill as amended.

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